

Factors Associated with Financial Stability and Management – 2008 RFP Response

Summary	ACA	NDA	SCRAP	TDA
Net Assets	High	High	Low	Low
Internal Controls	High	High	High	Low
Operating Budget/Cost Centers	High	Medium	High	High

Detail	ACA	NDA	SCRAP	TDA
Unrestricted Net Assets	\$3.2 million	\$1.2 million	\$979,000	\$714,000
Net Assets as % of Expenses	30%	30%	12%	8%
Is deferred revenue clearly accounted for on the balance sheet?	Yes	Yes	No	Yes
Are revenues sufficient to cover expenses (3 year history)?	\$5,500 deficit in 05 (first year of new contract where reimbursed after case closure instead of case assignment – so there was a lag in payments).	Yes	Yes	\$151,000 deficit in 04
Able to meet expenses in advance of reimbursement?	Yes	Yes	Yes	Yes

	ACA	NDA	SCRAP	TDA
Internal Controls				
Internal Controls	Check writing and check signing are separated. Board reviews monthly expense report.	Check writing and check signing are separated. Board reviews monthly expense report.	Check writing and check signing are separated. Board reviews monthly expense report.	Check writing and check signing are separated. RFP response detailed significant internal control improvements, however, the last independent auditor's report noted significant deficiencies involving internal controls.
Operating Budget/Cost Centers				
Track expenses by cost center?	Yes. Tracks all expenses by unit. Common overhead expenses (e.g. rent) are pro-rated by attorney FTEs.	Yes. NDA uses QuickBooks to track revenue/expenses by contract. NDA also uses Justware to track case hours.	Yes. Tracks separate funds/expenses via dept. codes. Expenses like rent are allocated on a % basis.	Yes. Items that can be attributed solely to individual programs are so attributed; common expense (e.g. rent, investigators) are pro-rated by number of attorneys.
Are cost centers (i.e. contracts with different agencies) easily identifiable in budget report?	Yes	No (but currently contracts only with King County so they only have one cost center).	Yes	Yes